Excise duty evasion by Tata Group of Companies

2423. SHRI GAYA CHAND BHUYAN. Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of companies belonging to the Tata Group has been prosecuted for the evasion of excise duty and violation of FERA;

(b) whether the criminal case pertaining to a huge evasion of excise duty filed against VOLTAS has been completed; and

(c) whether FERA violation by TATAs has been processed and prosecution has been launched?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (c) Prosecution has been launched on 12-3-1986 against M/s. Voltas Limited, Bombay (a company belonging to Tata Group) for alleged evasion of central excise duty amounting to approximately Rs. 775.12 lakhs. The case is at the trial stage. The investigations for violation under FERA are in progress and no prosecution has so far been launched.

Foreign exchange racket unearthed

2424. SHRI GAYA CHAND BHUYAN. Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently the Central Economic Intelligence Bureau has unearthed a major foreign exchange racket involving compensatory payment to the tune of Rs 30 crores in violation of FERA as reported in the Indian Express of the 30th June, 1987;

(b) if so, what are the details thereof; and

(c) whether these operators were using code name 'RAHU' for carrying out their activities?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B K GADHVI): (a) Yes, Sir.

(b) On 27th June, 1987, in an operation code-named 'RAHU' organised and supervised by the Central Economic Intelligence Bureau, 20 premises were searched in Bombay. As a result of the search action several incriminating documents evidencing Hawala payments in violation of FERA to the tune of about Rs. 30 crores, Indian currency amounting to Rs. 15,39,100/- believed to be proceeds of compensatory/(Hawala) payments, 420 Hong Kong Dollars, 130 UAE Dirhams, 7.75 Kuwaiti Dinars, 16 Pakistani Rupees, 4 US Dollars and 4 Zambian Kwatcha were seized. 6 persons were arrested.

(c) No, Sir. The code-name 'RAHU' was given to this operation by Central Economic Intelligence Bureau for convenience of reference.

Churhat Children Welfare Society

2425. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 3087 given in the Rajya Sabha on the 20th August, 1987 and state:

(a) whether Churhat Children Welfare Society had conducted a Lottery in aid of the Society;

(b) whether it is a fact that several lakhs of rupees were collected through lottery; and

(c) whether income-tax was also exempted for the money collected through Lottery?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K GADHVI): (a) Yes, Sir, the Churhat Children Welfare Society had conducted a Lottery through its agents.

(b) Yes, Sir, a sizeable amount was collected through Lottery.